

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF THE	)	
HUNTSVILLE-SOUTH HILL	)	
WATER SYSTEM, INC., FOR	)	CASE NO. 5450-1
A PURCHASED WATER	)	
ADJUSTMENT	)	

O R D E R

IT IS ORDERED that Huntsville-South Hill Water System, Inc., shall file an original and ten copies of the following information, required per regulation 807 KAR 5:067, with the Commission by April 1, 1982:

1. A copy of the wholesale supplier's tariff, showing the new rate and effective date thereof.
2. A detailed statement of water purchased for the 12-month period ending October 31, 1981, showing the billing under the old and new rate.
3. A detailed statement of water sold for the same 12-month period.
4. A computation of the needed purchased water adjustment in cents per gallon.
5. A balance sheet dated October 31, 1981.
6. A statement of operating revenues and expenses for the 12-month period ending October 31, 1981.

7. A copy of the notice which should have been mailed to all of the customers with billings at least 3 weeks prior to the application for increase in water rates.

8. A revised tariff sheet reflecting the rates the water system proposes to charge.

IT IS FURTHER ORDERED that the above information is to be filed in the same form as the attached examples of the information required.

IT IS FURTHER ORDERED that in the event the above information is not timely filed the Commission may dismiss the case without prejudice absent a Motion for Extension of Time for good cause.

Done at Frankfort, Kentucky, this 10th day of March, 1982.

PUBLIC SERVICE COMMISSION

  
For the Commission

ATTEST:

\_\_\_\_\_  
Secretary

The following documents are examples of those documents to be filed with the Public Service Commission in order to obtain approval of a purchased water adjustment according to regulation 807KAR 5:067.

JUL 13 1981

BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY  
PUBLIC SERVICE  
COMMISSION

IN THE MATTER OF:

THE APPLICATION OF THE  
WATER COMPANY FOR A  
PURCHASED WATER ADJUSTMENT

NO. \_\_\_\_\_

APPLICATION

The petition of the \_\_\_\_\_ Water Company respectfully shows:

(a) That Applicant is engaged in the business of distributing water to agricultural, commercial, industrial and residential users throughout its service area, which comprises the portion of \_\_\_\_\_ County which is north of U.S. Highway \_\_\_\_\_ and the \_\_\_\_\_ section of \_\_\_\_\_ County.

(b) That the Post Office address of the applicant is:  
\_\_\_\_\_  
Company,

Kentucky

(c) That the Applicant's wholesale water supplier is The \_\_\_\_\_ Municipal Water & Sewer Commission. Said Commission has notified the Applicant that effective July 1, 1981, its wholesale tariff rate will be \$1.00 per 1,000 gallons. This will be an increase of \$0.42 over the existing base rate of \$0.58. The Applicant is not financially able to absorb an increase of this magnitude and, in support of this request for approval of an adjustment of its own rates in order to recover this very large increase, submits herewith the following documents:

EXHIBIT I - A copy of the wholesale supplier's tariff, showing the new rate and effective date thereof.

EXHIBIT II - A detailed statement of water purchased for the twelve months period ending on May 31, 1981, showing the billing under the old and new base rates.

EXHIBIT III - A detailed statement of water sold for the same twelve months period.

EXHIBIT IV - A computation of the needed purchased water adjustment in cents per gallon.

EXHIBIT V - A balance sheet dated May 31, 1981.

EXHIBIT VI - A statement of operating revenues and expenses for the twelve-months period ending May 31, 1981.

EXHIBIT VII - A copy of the notice which will be mailed to all of the customers with billings on or about July 27, 1981.

EXHIBIT VIII - A revised tariff sheet reflecting the rates the Applicant proposes to charge effective August 20, 1981.

WHEREFORE, the Applicant asks that the Public Service Commission make its order authorizing Applicant to adjust its rates in accordance with the tariffs filed herewith as EXHIBIT VIII.

DATED at                      , Kentucky, this 10<sup>TH</sup> day of July, 1981.

A. Existing/Proposed Comparisons

Category				1967 South Extended Area			1978* Additions
	Existing	Proposed July, 1981	Proposed July, 1982	Existing	Proposed July, 1981	Proposed July, 1982	
First 1,000	\$2.50	\$3.50	\$3.75	\$3.50	\$3.50	\$3.75	\$5.38
Next 9,000	1.00	1.40	1.60	1.40	1.40	1.60	2.15
Next 15,000	0.80	1.20	1.50	1.12	1.20	1.50	1.72
Next 25,000	0.70	1.10	1.40	0.98	1.10	1.40	1.51
Next 50,000	0.65	1.05	1.30	0.91	1.05	1.30	1.40
All Over 100,000	0.58	1.00	1.20	0.81	1.00	1.20	1.25

• Unchanged.

B. Commercial Haulers = \$1.75 per 1,000 gallons except in 1978 Additions area where the charge shall be \$2.50 per 1,000 gallons.

C. Federal Housing Project = \$1.50 per 1,000 gallons. ↑

D. North and West Water Districts = July 1, 1981 = \$1.00 per 1,000 Gallons  
 July 1, 1982 = \$1.20 per 1,000 Gallons

WATER COMPANY  
WATER PURCHASED - OLD RATE - NEW RATE  
JUNE 1, 1980 - MAY 31, 1981

	<u>GALLONS PURCHASED</u>	<u>COST AT 58¢ PER 1,000 (OLD RATE)</u>	<u>COST AT \$1.00 PER 1,000</u>
June, 1980	12,518,400	\$7,260.68	\$12,518.40
July, 1980	15,963,200	9,258.66	15,963.20
August, 1980	17,457,700	10,125.46	17,457.70
September, 1980	10,741,800	6,230.25	10,741.80
October, 1980	15,458,800	8,966.11	15,458.80
November, 1980	13,170,800	7,639.07	13,170.80
December, 1980	10,205,600	5,919.25	10,205.60
January, 1981	17,368,200	10,073.56	17,368.20
February, 1981	13,523,900	7,843.85	13,523.90
March, 1981	12,588,600	8,924.52	12,588.60
April, 1981	15,301,200	7,251.57	15,301.20
May, 1981	<u>12,237,200</u>	<u>7,097.59</u>	<u>12,237.20</u>
Total	166,535,400	\$96,590.57	\$166,535.40

WATER COMPANY  
WATER SALES  
FOR TWELVE MONTHS ENDING MAY 31, 1981

	TOTAL GALLONS <u>WATER SOLD</u>	REVENUE <u>FROM SALE</u>
June, 1980	11,188,400	\$30,177.98
July, 1980	15,078,600	36,771.97
August, 1980	14,194,500	35,290.06
September, 1980	12,220,700	32,059.79
October, 1980	13,692,400	35,039.81
November, 1980	11,969,400	32,044.82
December, 1980	10,260,100	29,179.08
January, 1981	12,101,900	31,928.69
February, 1981	13,111,500	33,003.55
March, 1981	10,514,500	29,710.27
April, 1981	13,428,600	35,771.47
May, 1981	<u>11,456,100</u>	<u>31,186.28</u>
Total Sales	149,216,700	\$392,163.77



WATER COMPANY  
COMPUTATION OF PURCHASED WATER ADJUSTMENT

For the Twelve Months Ending May 31, 1981

Water purchased (gallons)	\$166,535,400
Water sold (gallons) .	<u>149,216,700</u>
Line Loss (gallons)	17,318,700
Line Loss %	10%

Purchased water costs:	
at \$1.00 per 1000 gallons	\$166,535.40
at \$0.58 per 1000 gallons	96,590.57

Total change in purchased water costs	<u>\$69,944.83</u>
Divided by actual number gallons sold	149,216,700
Equals purchased water adjustment of \$0.47 per 1000 gallons	

WATER COMPANY  
BALANCE SHEET  
MAY 31, 1981

**ASSETS**

**CURRENT ASSETS**

Cash and working funds	\$20,618.73	
Temporary investments	86,895.40	
Accounts receivable	39,309.76	
Prepaid insurance	<u>2,630.76</u>	\$149,454.65

**INVESTMENTS**

Special funds and investments		178,152.70
-------------------------------	--	------------

**UTILITY PLANT**

Utility plant in service	\$2,843,460.85	
General plant furniture and equipment	<u>9,901.69</u>	
	2,853,362.54	
less accumulated depreciation	<u>330,818.54</u>	
Net plant		<u>2,522,544.00</u>

**TOTAL ASSETS**

\$2,850,151.35

**LIABILITIES**

**CURRENT AND ACCRUED LIABILITIES**

Accounts payable	\$3,416.32	
Accrued taxes	1,134.35	
Accrued interest	<u>41,190.48</u>	\$45,741.15

**LONG TERM DEBT**

Notes payable		1,593,803.93
---------------	--	--------------

**OTHER LIABILITIES**

Membership certificates		40,348.44
-------------------------	--	-----------

**CAPITAL**

Contributions in aid of construction		
Tap on fees	436,462.47	
Contributions	204,411.00	
Grants	<u>460,897.43</u>	1,101,770.90

**PROPRIETARY CAPITAL**

Unappropriated retained earnings		<u>68,486.93</u>
----------------------------------	--	------------------

**TOTAL LIABILITIES AND CAPITAL**

\$2,850,151.35

WATER COMPANY  
STATEMENT OF INCOME FOR THE TWELVE MONTHS  
ENDING MAY 31, 1981

**SALES OF WATER**

Residential Customers	\$380,417.62	
Commercial Customers	9,436.10	
Industrial Customers	653.60	
Governmental Customers	<u>1,656.45</u>	
Total Sales of Water		\$392,163.77

**OPERATING EXPENSES**

Water Purchased	\$96,590.57	
Power-Pumping Equipment	13,113.30	
Maintenance-Structures	1,034.22	
Maintenance-Pumping Equipment	1,645.73	
Maintenance-Distribution Mains	<u>17,247.22</u>	
Maintenance-Service & Meters	8,922.71	
Maintenance-Hydrants	5,722.09	
Meter Readings	<u>7,156.05</u>	
Total Operating Expenses		<u>151,431.89</u>

**OPERATING INCOME**

**\$240,731.88**

**ADMINISTRATIVE AND GENERAL EXPENSES**

Office Salaries	\$10,491.87	
Office Supplies & Expenses	9,870.59	
Uncollectable Revenue	1,848.44	
Management Salary	<u>9,456.66</u>	
Accounts Receivable Processing	<u>11,768.34</u>	
Legal & Accounting	5,887.23	
Commission Member Fees	6,088.00	
Insurance	3,476.23	
Employee Insurance -	1,404.68	
Miscellaneous General Expense	865.58	
Maintenance-General Properties	625.77	
Travel	12,817.90	
Rent	213.16	
Payroll Taxes	2,663.90	
Depreciation-Trans. & Dist.	59,637.81	
Depreciation- General Plant	<u>937.84</u>	
Total Administrative and General Plant		<u>138,054.00</u>

**NET OPERATING INCOME**

**\$102,677.88**

WATER COMPANY  
STATEMENT OF INCOME FOR THE TWELVE MONTHS  
ENDING MAY 31, 1981 (continued)

NET OPERATING INCOME (brought forward)		\$102,677.88
<u>OTHER INCOME</u>		
Miscellaneous Income	\$2,982.93	
Interest Earned	22,266.41	
Service Charge Income	<u>6,866.41</u>	
Total Other Income		32,115.75
<u>Other Deductions</u>		
Interest-Long Term Debt	\$78,127.42	
Interest-Customers Deposits	<u>3,111.00</u>	
Total Other Deductions		<u>81,238.42</u>
NET INCOME		<u>\$53,555.21</u>

### NOTICE

Effective July 1, 1981, the Municipal Water & Sewer Commission increased its wholesale water rate by 72%. Inasmuch as is not financially able to absorb an increase of this size, we are applying to the Public Service Commission for permission to adjust our rates so as to recover this increased cost of water purchased. If approved by the Public Service Commission, the following rates will apply throughout the service area of Water Company effective August 20, 1981.

#### RATES: Monthly

(I)

First	2,000 gallons per Month	\$8.94 Minimum Bill
Next	3,000 gallons per Month	3.47 per 1,000 Gallons
Next	5,000 gallons per Month	2.47 per 1,000 Gallons
Next	40,000 gallons per Month	1.97 per 1,000 Gallons
All over	50,000 gallons per Month	1.47 per 1,000 Gallons

#### MINIMUM CHARGES:

Meter Size:  
5/8" or 3/4"  
1"  
1-1/2"  
2"  
3"

#### Minimum Monthly Bill:

(I)

\$8.94  
19.35  
31.70  
41.55  
80.95

For Entire Area Served  
Community, Town or City

P.S.C. NO. 1

Second Amended Sheet No. 11

, , Cancellling P.S.C. Ky. No. 1

First Amended Sheet No. 11

CLASSIFICATION OF SERVICE

APPLICABLE: Throughout service area of Water Company

AVAILABILITY OF SERVICE: To domestic, farm, commercial, institutional,  
and industrial members of the Company

RATES: Monthly

(I)

First	2,000 gallons per Month	\$8.94 Minimum Bill
Next	3,000 gallons per Month	3.47 per 1,000 Gallons
Next	5,000 gallons per Month	2.47 per 1,000 Gallons
Next	40,000 gallons per Month	1.97 per 1,000-Gallons
All over	50,000 gallons per Month	1.47 per 1,000 Gallons

MINIMUM CHARGES:

Meter Size:  
5/8" or 3/4"  
1"  
1-1/2"  
2"  
3"

Minimum Monthly Bill. (I)  
\$8.94  
19.35  
31.70  
41.55  
80.95

DATE OF ISSUE \_\_\_\_\_ DATE EFFECTIVE August 20, 1981

ISSUED BY \_\_\_\_\_, President, \_\_\_\_\_, Ky.

Issued by Authority of KY. P.S.C., Case No. \_\_\_\_\_, dated \_\_\_\_\_

\_\_\_\_\_, Counsel for \_\_\_\_\_ Water Company

(7) Hanging of antlers or sticks as a method of attracting deer is permitted.

(8) Use of lights: no person or persons shall cast the rays of a spotlight, jacklight or other artificial lighting device on any highway or in any field, woodland or forest, while having in his or her possession, or under his or her control, a firearm or other implement by which a deer could be killed, even though such deer is not shot at, injured or killed. This shall not apply when the headlights of a motor vehicle in normal operation on a highway are cast upon a field, woodland or forest in the normal course of travel, nor shall it apply to landowners or tenants engaged in normal or necessary activity upon their lands.

(9) No person shall possess a deer taken contrary to this or any other regulation or statute.

#### Section 7. Firearms Restrictions for Gun Deer Hunting.

(1) The following firearms that are fired from the shoulder are permitted during gun deer hunting seasons: center-fire rifles of .240 caliber or larger (with the exceptions of the .30 caliber carbine and .256 caliber rifle); muzzle-loading rifles of .38 caliber or larger; and muzzle-loading and breech-loading shotguns of ten (10) gauge maximum and twenty (20) gauge minimum firing a single projectile.

(2) Handguns: handguns with barrel lengths of 3.90 inches or greater are permitted. Only the following cartridges may be used: .30 Herret; .357 magnum; .357 Herret; .357 automag; .41 magnum; .41 automag; .44 magnum; .44 automag; .45 automag; and any other cartridge using a bullet of at least 110 grains weight and developing at least 500 foot-pounds of muzzle energy. No full metal-jacketed bullets of any caliber may be used.

(3) The following firearms are prohibited in deer hunting: any caliber of cartridge that does not meet the requirements given in subsections (1) and (2) of this section; any fully automatic weapon or weapon capable of firing more than one (1) round with one (1) trigger pull; any military issue M-1 .30 caliber carbine or its equivalent caliber sold commercially; any .256 caliber rifle.

(4) Fully jacketed military type ammunition and tracer bullet ammunition are prohibited in deer hunting. Shotgun ammunition must contain a single slug per shell case, and buckshot or any type of shot shells are prohibited.

#### Section 8. Equipment Restrictions for Statewide Archery and Crossbow Deer Hunting.

(1) Longbows and compound bows may not be fitted with any device capable of holding an arrow at full draw without aid from the hunter.

(2) Arrows must be barbless without chemical treatment or chemical attachments, with broadhead points at least seven-eighths (7/8) inch wide.

(3) Crossbows must have a minimum pull weight of 100 pounds and a working safety device. Minimum bolt weight is 380 grains with a barbless broadhead point at least seven-eighths (7/8) inch wide, with no chemical treatments or chemical attachments.

(4) Archery hunters are prohibited from carrying any type of firearms while hunting deer.

Section 9. 301 KAR 2:109, Seasons for deer hunting; gun and archery, is hereby repealed.

JACK T. BROOKS, Chairman  
CARL E. KAYS, Commissioner

ADOPTED: March 1, 1981

APPROVED:

J. Michael Mullins

RECEIVED BY LRC: March 12, 1981 at 3:30 p.m.

SUBMIT COMMENT OR REQUEST FOR HEARING  
TO: The Commissioner, Department of Fish and Wildlife Resources, Arnold L. Mitchell Building, #1 Game Farm Road, Frankfort, Kentucky 40601.

#### PUBLIC PROTECTION AND REGULATION CABINET Public Service Commission

##### 307 KAR 5:067. Purchased water adjustment clause.

RELATES TO: KRS Chapter 278

PURSUANT TO: KRS 13.082, 278.030(1), 278.040(3)

NECESSITY AND FUNCTION: KRS 278.030(1) provides that all rates received by a water utility subject to the jurisdiction of the Public Service Commission shall be fair, just and reasonable. This regulation prescribes the requirements under which a water utility may implement a purchased water adjustment clause designed to recover the increased costs of water purchased, where the water utility is not financially able to absorb an increase from its supplier.

Section 1. Application for Change in Base Rate. The rates a water utility is currently authorized to charge its customers are based upon the wholesale cost of water to that water utility pursuant to valid contracts or wholesale tariffs on file with the commission. For purposes of a purchased water adjustment clause, this wholesale rate shall be considered as the base rate for purchased water and any increase or decrease in the base rate shall be considered the changed rate.

(1) In the event there is a change in the base rate, the utility shall file with the commissioner the following information:

(a) A copy of the wholesale supplier's tariff effecting a change in the base rate and a statement from the wholesale supplier evidencing the effective date of the changed rate;

(b) A detailed statement of water purchased under the base rate for a twelve (12) month period ended within ninety (90) days of the filing date and showing billing both under such base rate and also under the changed rate;

(c) A detailed statement of water sold for the same twelve (12) month period.

(d) A balance sheet and statement of operating expenses and revenues for the most recent twelve (12) month period for which that information is available;

(e) In the event of an increase only, evidence that the water utility has notified its customers of the proposed rate revision;

(f) Revised tariff sheets reflecting the rates the applicant proposes to charge; and

(g) Such other information as the commission may request for a proper determination of the purchased water adjustment.

(2) The commission may require that the balance sheet and statement of expenses and revenues furnished pursuant to subsection (1)(d) of this section be updated to within ninety (90) days of the filing of an application and that the updated information corresponds to the same twelve (12) month period as the water purchased information furnished pursuant to subsection (1)(b) of this section.

(3) Upon receipt of all the necessary information, the commission will review the effect of the changed rate upon the applicant's operations and if an increase is proposed determine whether all or a part of the increase can be absorbed by the applicant. An applicant shall not implement its proposed revised rates until the commission issues an order authorizing the applicant to adjust its rates. If an adjustment is authorized, the supplier's changed rate shall become the supplier's base rate for use in future applications.

(4) The maximum amount of the adjustment so ordered shall not produce revenue adjustments greater than the difference between the purchased water billed at the base rate and the purchased water billed at the changed rate.

(5) The notice required by subsection (1)(c) of this section may be accomplished by a bill insert.

**Section 2. Calculation of the Purchased Water Adjustment.** If a change is made in a base rate charged to a water utility by its supplier(s), the unit charges of the wholesale tariff shall be increased or decreased by a purchased water adjustment calculated as follows:

(1) Water purchases shall be computed at the supplier's base rate and the supplier's changed rate using a period of twelve (12) calendar months ending within ninety (90) days preceding the month of the effective date of the supplier's rate change. The difference between these amounts shows the total change in the applicant's purchased water costs.

(2) The total change in purchased water costs shall be divided by the actual number of cubic feet or gallons sold, yielding the purchased water adjustment expressed in cents per cubic feet or gallons, unless the applicant's water loss exceeds fifteen (15) percent.

(3) In instances where the water loss exceeds fifteen (15) percent, the actual water sales shall be divided by eighty-five (85) percent yielding the maximum allowable water purchases. The maximum allowable water purchases shall then be multiplied by the change in cost per cubic foot or gallons, yielding the total allowable change. The total allowable change shall then be divided by the actual number of cubic feet or gallons sold, yielding the purchased water adjustment expressed in cents per cubic feet or gallons.

**Section 3. Procedure for Distribution of Refunds from Suppliers.** In the event a water utility receives a refund from its supplier for amounts previously paid, the water utility shall immediately apply to the commission for authority to make adjustments on the amounts charged customers' bills under this regulation as follows:

(1) The total refund received by the water utility shall be divided by the number of cubic feet or gallons of water the water utility estimates it will sell to its customers during the two (2) month period beginning with the first day of the month following receipt of the refund, yielding the refund factor to be applied against each cubic foot of water sold thereafter.

(2) Effective with meter readings taken on and after the first day of the second month following receipt of the refund, the water utility will reduce by the refund factor any

purchased water adjustment that would otherwise be applicable during the period. The period of reduced purchased water adjustment shall be adjusted, if necessary, in order to most nearly approximate the total amount to be refunded. The water utility shall make full distribution of the refund within two (2) months.

(3) In the event a water utility receives a large or unusual refund, the water utility may apply to the commission for a deviation from the procedure for distribution of refunds specified herein.

**Section 4. Water Utility Tariffs.** Every water utility that makes an application under Section 1 shall have a tariff on file with the commission containing a purchased water adjustment clause conforming to this regulation.

MARLIN M. VOLZ, Chairman

ADOPTED: March 13, 1981

APPROVED: H. FOSTER PETTIT, Secretary

RECEIVED BY LRC: March 13, 1981 at 11:15 a.m.

SUBMIT COMMENT OR REQUEST FOR HEARING TO: Richard D. Heman, Jr., Secretary, Public Service Commission, 730 Schenkel Lane, Box 615, Frankfort, Kentucky 40602.

#### DEPARTMENT FOR HUMAN RESOURCES Office of the Inspector General

901 KAR 1:015. Schedule I substances.

RELATES TO: KRS Chapter 218A

PURSUANT TO: KRS 13.082, 194.050, 218A.250

NECESSITY AND FUNCTION: KRS 218A.020 authorizes the Department for Human Resources to add substances to or delete or reschedule substances enumerated in KRS Chapter 218A. After considering the criteria set forth in KRS 218A.020 and 218A.040 and applicable federal regulations the Department for Human Resources designates the substances set forth in this regulation as Schedule I controlled substances.

**Section 1. Opiates.** The Department for Human Resources hereby designates as Schedule I controlled substances, in addition to those specified by KRS 218A.050, any of the following opiates, including their isomers, esters, ethers, salts, salts of isomers, esters, and ethers, unless specifically excepted, whenever the existence of these isomers, esters, ethers, and salts is possible within the specific chemical designation: Difenoixin.

**Section 2. Opium Derivatives.** The Department for Human Resources hereby designates as Schedule I controlled substances, in addition to those specified by KRS 218A.050, any of the following opium derivatives, their salts, isomers and salts of isomers, unless specifically excepted, whenever the existence of these salts, isomers and salts of isomers is possible within the specific chemical designation: Drotebanol.

**Section 3. Hallucinogenic Substances.** The Department for Human Resources hereby designates as Schedule I controlled substances, in addition to those specified by KRS 218A.050, any material, compound, mixture of prepara-